

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

Adoption of Chapter 146
Hawaii Administrative Rules

June 1, 1999

SUMMARY

Chapter 146 of Title 3, Hawaii Administrative Rules,
entitled "Small Purchase of Service", is adopted.

HAWAII ADMINISTRATIVE RULES

TITLE 3

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

SUBTITLE 11

PROCUREMENT POLICY BOARD

CHAPTER 146

SMALL PURCHASE OF SERVICE

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§3-146-602 Small purchase of service record
of procurement actions

SUBCHAPTER 1

PURPOSE & SCOPE

§3-146-101 Purpose. The purpose of this chapter is to implement section 103F-405, HRS, which establishes the small purchase of service method of procurement, by providing rules and procedures for the use of this method of procurement.
[Eff JUN 19 1999] Auth: HRS § 103F-106) (Imp: HRS § 103F-405)

§3-146-102 Scope. The small purchase of service method of procurement may be used to procure health and human services when the proposed contract for services is for consideration of less than \$25,000.
[Eff JUN 19 1999] (Auth: HRS § 103F-106) (Imp: HRS § 103F-405)

SUBCHAPTER 2

CORE PROCEDURES

§3-146-201 Adoption of HRS 103D rules for small purchases. In accordance with section 103F-405, HRS, the rules for small purchases under section 103D-305,

HRS, are hereby adopted as modified herein for the procurement of health and human services.

[Eff JUN 19 1999] (Auth: HRS § 103F-106) (Imp: HRS § 103F-405)

§3-146-202 Definitions. As used in this chapter: "Adequate and reasonable competition" considers the numbers of providers solicited based upon the number of providers available and the value or price of the service. Because of variations in circumstances, it is not possible to define what is adequate and reasonable competition for every small procurement. However, in general, the more providers there are that can meet the needs of the purchasing agency, or the higher the price of the services, then a greater number of providers should be solicited.

[Eff JUN 19 1999] (Auth: HRS § 103F-106) (Imp: HRS § 103F-405)

§3-146-203 Conditions for use. (a) Expenditures less than \$25,000 for services shall be made in accordance with the following procedures. Expenditures made pursuant to these procedures do not require public notice.

(b) Use of state procurement office price lists. Unless otherwise exempt, purchasing agencies shall also comply with state procurement office price lists or other chief procurement officer price lists, where applicable.

(c) Parceling forbidden. Small purchases shall not be parceled by dividing the purchase of same, like, or related items of services into several purchases of smaller quantities, so as to evade the statutory competitive purchase of service requirements. [Eff JUN 19 1999] (Auth: HRS § 103F-106) (Imp: HRS § 103F-405)

§3-146-204 Services. (a) Expenditure with an estimated total cost that is at least \$15,000 but less than \$25,000:

- (1) Insofar as it is practicable and based on the purchasing agency's specifications, no less than three written quotations shall be solicited; and
- (2) Considering all factors, including but not limited to quality and delivery, award shall be made to the provider with the most advantageous quotation.

(b) Expenditures of \$5,000 to \$15,000.

Expenditures with an estimated total cost that is at least \$5,000 but less than \$15,000:

- (1) Insofar as it is practicable and based on the purchasing agency's specifications, no less than three quotations shall be solicited; and
- (2) Considering all factors, including but not limited to quality and delivery, award shall be made to the provider with the most advantageous quotation.

(c) Expenditure under \$5,000. Expenditure with an estimated total cost that is less than \$5,000 shall be by procedures established by each chief procurement officer. [Eff JUN 19 1999] (Auth: HRS § 103F-106) (Imp: HRS § 103F-405)

SUBCHAPTER 3

CONTENT REQUIREMENTS

§§3-146-301 to 3-146-400 (Reserved).

SUBCHAPTER 4

ALLOWABLE COMMUNICATIONS

§§3-146-401 to 3-146-500 (Reserved).

SUBCHAPTER 5

EXPEDITING PROCEDURES

§§3-146-501 to 3-146-600 (Reserved).

SUBCHAPTER 6

MISCELLANEOUS PROCEDURES

§3-146-601 Procurement file. All quotations received shall be recorded and placed in a procurement file, including a justification for the use of fewer quotations than are required, such as insufficient sources, emergency or urgent circumstances. The reason shall be recorded and placed in the procurement file. The file shall also include a written justification when award is made to other than the provider submitting the lowest quotation.

[Eff JUN 19 1999] (Auth: HRS § 103F-106) (Imp: HRS § 103F-405)

§3-146-602 Small purchase of service record of procurement actions. (a) The heads of purchasing agencies or procurement officers shall maintain records by fiscal year of all small purchase of service procurements made by their respective agencies for a minimum of the past five fiscal years. Such records shall be kept available for public inspection.

(b) Annual reports of small purchase procurements. By the fifteenth day of August of each year, the heads of purchasing agencies or procurement officers shall make reports to the administrator of all small purchase of service procurements made by their respective agencies for the immediately preceding fiscal year. The report shall be made in the format prescribed by the administrator.

(c) Annual consolidated report. By the first day of October of each year, the administrator shall make a consolidated report of all small purchase of service procurements made during the immediately preceding fiscal year. A copy of this report shall also be sent to the procurement policy board.

[Eff JUN 19 1999] (Auth: HRS § 103F-106) (Imp: HRS §§ 103F-301, 103F-405)

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

Chapter 146, Hawaii Administrative Rules, on the Summary Page dated June 1, 1999, was adopted on June 1, 1999, following public hearings held on May 11, 12, 18, 19, 20, 1999 after public notice was given in the Hawaii State and County Public Notices on April 5, 1999.

The adoption of chapter 146 shall take effect ten days after filing with the Office of the Lieutenant Governor.

Robert E. Oyama, Chairperson
Procurement Policy Board

Raymond H. Sato
State Comptroller

APPROVED:

Benjamin J. Cayetano
Governor
State of Hawaii

Dated: _____

APPROVED AS TO FORM:

Deputy Attorney General

JUN 09 1999
Filed